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Chair: Mr. Stefanile (Vice-Chair) ..... (Italy)

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In the absence of Mr. Talbot (Guyana), Mr. Stefanile (Italy), Vice-Chair, took the Chair.

The meeting was called to order at 3.07 p.m.

Agenda item 18: Macroeconomic policy questions (*continued*)

(a) International trade and development (*continued*) (A/67/183, A/67/184, A/67/15 (Part I), A/67/15 (Part II), A/67/15 (Part III) and A/67/15 (Part V))

(b) International financial system and development (*continued*) (A/67/187)

(c) External debt sustainability and development (*continued*) (A/67/174)

1. **Mr. Seksenbay** (Kazakhstan) said that, following a steady process of reforms and timely anti-crisis measures, Kazakhstan had been able to maintain a positive momentum during the most difficult period experienced by the international economic and financial system and was currently achieving significant socio-economic growth. In a globalized and interdependent world, however, national policies alone were insufficient to produce sustained development; a coordinated and efficient strategy was needed. The United Nations had a central role to play in international discussions on the world economy, sustainable development and the architecture of global economic governance. Accordingly, Kazakhstan planned to organize an international conference in May 2013 at Astana, Kazakhstan, as a follow up to the United Nations Conference on the World Financial and Economic Crisis and Its Impact on Development, with a view to formulating a global anti-crisis action plan. A call for such follow-up had been launched by several Heads of State at the high-level thematic debate on the "State of the World Economy and Finance", held in May 2012 under the aegis of the President of the General Assembly and the Secretary-General. As a truly universal and inclusive multilateral organization, the United Nations could offer the most suitable forum through which all States, small and developing countries in particular, could contribute to the adoption of decisions with a global impact.

2. **Ms. El Sayed** (Sudan) said that, in the face of the embargo imposed by the North, Sudan had been effectively assisted by Asian and African countries. International trade should be based on equality, freedom and mutual needs. It was in that spirit that action should be taken with regard to the Doha Development Round and the São Paulo Round of negotiations on the Global System of Trade Preferences among Developing Countries. The embargo must be lifted and official development assistance (ODA) must resume. The international economic system must be reformed so as to allow the voice of developing countries to be heard. The economic crisis was due to political mistakes relating to the international financial system. Measures therefore must be taken to mitigate the effects of such mistakes on development. The Bretton Woods institutions must be reformed to reflect current economic capabilities, particularly of the developing countries. The international community should show greater flexibility in providing debt relief for developing countries in accordance with General Assembly resolution 62/186.

3. **Mr. Bamba** (Côte d'Ivoire) said that the slowdown in net flows of private capital, especially ODA, towards the developing countries in 2011, gave grounds for concern. The social and political crisis from which Côte d'Ivoire was emerging had degraded the country's basic social and economic infrastructure, including in the areas of health and education, and had aggravated poverty. The current Government was working to stabilize the security and political situation; it had also implemented a programme to provide immediate responses to urgent challenges connected with access to basic services, including health care, and was successfully seeking economic recovery through a national development plan for the period 2012-2015, aimed at improving the macroeconomic framework and reforming the coffee and cocoa industries and the mining and energy sectors. The Government was promoting inclusive growth, while pursuing a prudent public debt policy. Having attained the completion point under the Heavily Indebted Poor Countries (HIPC) Initiative in June 2012, the Government planned to reposition the country as an economic pole and a regional integration driver. The outlays required would focus on priority sectors, including agriculture, energy, education, health, basic infrastructure and industry, and would be covered through private investment — largely consisting of foreign direct investment (FDI) — and public financing, mainly in the form of concessional loans, while non-concessional funding would depend on a rigorous analysis of the profitability of projects. In the face of cyclical financial crises that had seriously affected economic

and financial prospects, including Côte d'Ivoire's development, the international community's best option was to strengthen the international financial architecture, particularly by reforming the governance of the international financial institutions and ensuring multilateral financial regulation and surveillance.

4. **Mr. Bengaly** (Burkina Faso) noted that, although accounting for 12 per cent of the world population, the least developed countries played a marginal role in the global economy. That situation was increasingly alarming in view of the current deadlock in the Doha Development Round of negotiations. As a landlocked developing country, Burkina Faso's economy was highly dependent on international trade. For over two decades, the Government had been implementing a trade policy geared towards greater integration and better access to regional and international markets by liberalizing the economy, strengthening the role of the private sector and adapting to international standards in order to align national rules with those of the Economic Community of West African States (ECOWAS) and the World Trade Organization (WTO). The Doha Development Round of negotiations should put an end to protectionist measures and help to create new opportunities for the least developed countries to gain access to international markets. Burkina Faso welcomed the international consensus, reached at the thirteenth session of the United Nations Conference on Trade and Development on 21-26 April 2012 at Doha, Qatar, on promoting an open, transparent, inclusive, non-discriminatory and rules-based multilateral trade system. Lastly, it was crucial for developed countries to uphold their commitment to allocating 0.7 per cent of their GDP to ODA, which should be effectively incorporated into development programmes.

5. **Archbishop Chullikatt** (Observer for the Holy See) said that the financial meltdown of 2008 and the subsequent economic turmoil should teach the world, first, that economic and financial systems must be built upon and regulated by solid moral standards, to the exclusion of selfishness and indifference towards the common good; second, that all economic issues had become global, since neither capital markets nor environmental issues respected national frontiers; and third, that austerity for the poor, weak and marginalized was neither a just nor an effective or sustainable macroeconomic policy. The greater freedom for capital created by globalization should be matched by much greater social responsibility. The current global financial and national debt concerns must not give rise to new economic and social policies that would exacerbate inequalities between countries. Such inequalities gave rise to inward-looking policies that, in turn, often led to trade-distorting protectionism and hostility to migrants. The current economic situation had been caused neither by the poor nor by the policies designed to help them or to protect the environment. Accordingly, the international community should not allow the sovereign debt crisis to become a justification for eliminating necessary social programmes or failing to uphold international commitments.

6. **Ms. Viale** (International Labour Organization) said that full and productive employment and decent work must become key objectives of macroeconomic and development policies in order to tackle the damaging effects of the current crisis, whose impact on labour markets had been unprecedented. Both fiscal and monetary policies must be used actively to stave off prolonged stagnation. While Governments were rightly concerned about fiscal deficits, premature retrenchment threatened to weaken growth and counter the public and private sectors' efforts to reduce the debt left by the financial crisis. Policy measures should consider both the demand and supply side of the labour market and, inter alia, support infrastructure investment, improve the access of small and medium-sized enterprises (SMEs) to bank credit, expand the coverage of social protection and promote investment in employment prospects for young persons. The relevant policies must be carefully planned with transparency and accountability in order to ensure that investment would be channelled into sectors that could optimize growth and the jobs potential. Country assistance in designing such supply-side policies deserved increased attention. While holders of financial assets could use sophisticated financial instruments to protect themselves against fluctuations in global markets, the large majority of the population were not in a position to take advantage of such instruments but depended on their labour income. Strong, effective and broad social protection systems, such as the United Nations Social Protection Floor Initiative, were crucial to job and income security.

7. **Mr. Ovalles-Santos** (Bolivarian Republic of Venezuela) said that the United Nations and, in particular, the General Assembly had the authority to spearhead a profound reform of the global economic

system and the international financial architecture. To that end, a panel should continue the work of the Commission of Experts on Reforms of the International Monetary and Financial System, chaired by Joseph Stiglitz. In view of the current state of the world economy, he expressed support for holding a high-level thematic debate in May 2012 on the need for comprehensive action by the United Nations in line with General Assembly resolution 65/313, entitled "Follow-up to the Conference on the World Financial and Economic Crisis and Its Impact on Development". In designing the comprehensive action in question, due attention must be paid to leadership by the countries of the South; measures beyond counter-cyclical policies implemented by developing countries to counteract the influence of the Bretton Woods institutions; predictable and unconditional financing for development; use of special drawing rights; and a fund to meet the major needs of developing countries. At the regional level, it was necessary to promote financial and economic integration mechanisms using innovative tools and national currencies, with Banco del Sur as a case in point.

The meeting rose at 3.50 p.m.